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A REGISTERED LIMITED LIABILITY PARTNERSHIP

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April 14, 1999

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CONFIDENTIAL - TELECOMMUNICATION COVER PAGE
PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: David Waddell, Executive Secretary

FIRM: Tennessee Regulatory Authority

TELECOPIER NO: FAX:: (615) 741-5015

REFERENCE: KPOW.69275

FROM: T. ARTHUR SCOTT, JR., ESQ.

DATE: APRIL 14, 1999

NUMBER OF PAGES (INCLUDING COVER PAGE) 4 pages

MESSAGE: For your review

NOTE: If you do not receive all of the pages, please call back as soon as possible.
Phone: (423) 378-8813 - Telecopier Operator: Jan Holder

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ORIGINAL TO FOLLOW: X

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April 12, 1999

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Vance Broemel, Esq.
Consumer Advocate Division
404 James Robertson Parkway
Nashville, TN 37243-0500

RE: **KINGSPORT POWER COMPANY - RULEMAKING FOR
CHANGES TO ELECTRIC POWER RULES**

Dear Vance:

Since we seem to be making slow progress discussing the handling of Comments on the affiliate transaction rule by telephone, perhaps this last bit of needed information can be handled by fax. We have discussed proceeding with the public hearing on April 22nd, but having David Waddell, the hearing officer, hold the record open for Comments by Kingsport Power and the Consumer Advocate. After discussing this again with our client, and reviewing the somewhat limited supporting Comments in the petition filed by the Consumer Advocate, we would like to suggest that both parties file Comments to the proposed Rule by May 21, 1999. Thereafter each party would have until June 14th to respond to the Comments filed by the other party.

If you agree with this proposed schedule, please so indicate on the bottom of this letter and fax to David Waddell with whom we have discussed this process.

98-00690

April 12, 1999
Page 2

With kindest personal regards, we are

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



T. Arthur Scott, Jr.

cc: James R. Bacha, Esq.

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April 14, 1999

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Nashville, Tennessee 37243-0505

98-00690

**RE: KINGSPORT POWER COMPANY - RULEMAKING FOR
CHANGES TO ELECTRIC POWER RULES**

Dear David:

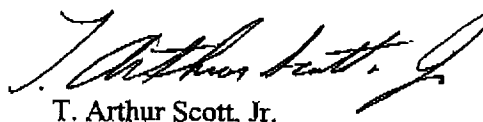
Attached to this letter is a copy of the letter that we sent to Vance Broemel this week suggesting dates for Comments to be filed with respect to these Rules instead of presenting testimony at the Public Hearing presently set for April 22nd. In a telephone conversation this morning, Mr. Broemel agreed to these dates and the writer was designed to contact you and request that an order consistent with this process be issued by you as the hearing officer.

The process would now be that the Public Hearing would occur on April 22nd as presently noticed. You would conduct that hearing, but maintain the record open for Comments to be submitted in writing, with responses per the schedule shown in the letter.

If you have any questions please contact the undersigned or Mr. Broemel.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



T. Arthur Scott, Jr.

Enclosure

cc: Vance Broemel, Esq.
James R. Bacha, Esq.